

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Wayne Water Systems

Ohio Manufacturing Extension Partnership

Procurement "Blitz" Yields \$450,000 Annual Savings

Client Profile:

Wayne Water Systems is the largest manufacturer of sump and utility pumps in the world and also offers a full line of sewage, well, lawn, pool and pond pumps. Headquartered in Harrison, Ohio, their markets included the 'big box' home centers, hardware chains and others. Wayne has 300 employees.

Situation:

Intense competition, both domestic and foreign, and increasing pressure on selling prices were straining Wayne's margins. Wayne recognized that improvements to their procurement processes could result in lower prices for purchased material and services and significant bottom-line savings. Wayne contacted TechSolve, a NIST MEP network affiliate, for help.

Solution:

After hosting TechSolve's Procurement Assessment, a free two-hour service for TechSolve members, Wayne accepted Techsolve's recommendation for an on-site Procurement 'Blitz' totaling 12 days to target and implement savings identified during the assessment. The 12 on-site days were scheduled over a four-month period to permit adequate time for developing a procurement strategy, performing competitive bidding where appropriate, and completing several rounds of negotiating. Working closely with buyers at Wayne, the 'Blitz' activity targeted savings opportunities, developed a specific procurement strategy for each, and led direct negotiations with numerous current and potential suppliers across a large number of purchase categories. The objective was to achieve very rapid and significant 'hard-dollar' savings with minimal disruption to the business. Using the processes and techniques included in TechSolve's Procurement 'Blitz', Wayne achieved annualized purchase-related savings totaling \$450,000, of which \$300,000 was already implemented by the conclusion of the 12-day assignment. Implementation of the remaining \$150,000 in annualized savings is underway.

Results:

* Achieved cost savings of \$450,000.

Testimonial:

"The Procurement 'Blitz' focused our attention on the results we needed to achieve. Techsolve's on-site Project Manager, working with our buyers and suppliers, negotiated a considerable amount of real savings for our company, savings which make us more competitive. In addition, this high-energy activity improved our procurement processes and negotiation techniques to enable our buyers to negotiate better outcomes and achieve additional savings in the future. We're glad we turned to TechSolve."

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Joe Mauro, Director of Engineering & Marketing